

Using Core Systems for a Competitive Advantage

Credit unions have always employed technology to gain a competitive advantage, with the core system proving a key component. For core systems to meet credit unions' unique and changing requirements, core processors must collaborate closely with their credit union clients. Collaboration enables suppliers to understand credit unions' goals, challenges and opportunities, and to respond with technologies that address them.

Through our ongoing teamwork with our clients, USERS recognizes that today's credit unions seek technologies that will help them gain a winning edge by enabling them to achieve their vital business goals. For instance, most credit unions recognize the value of capturing greater wallet share in a competitive market. In turn, they're requiring technologies that support real-time, consistent cross-selling across multiple channels. Credit unions also see tremendous value in improving member loyalty, so they look to technologies like profitability analysis and relationship pricing software to support loyalty-building programs that reward members for their relationship with the credit union.

The small business segment is rapidly growing in importance for many credit unions. While standard core system functionality may support a limited business offering, credit unions that expect to compete more aggressively are demanding the ability to integrate a specialty commercial package with the core system. USERS' clients are increasingly taking this approach, by integrating our core system with the Fiserv ITI Premier commercial package for robust deposit and loan functionality.

Reducing operating costs is also key to staying competitive; and again, core processors are assisting, especially through Internet solutions. At USERS, we see many clients using our Internet Suite to drive low-cost, self-serve transactions, while further reducing costs by enabling online access to statements and check images with the added benefit of providing better member service.

Finally, the ability to offset shrinking margins by generating fee income remains vital. Many credit unions are turning to core processors to provide a full range of fee capabilities, and most recently courtesy overdraft solutions that enable them to boost income while offering a high-demand service. Many of our clients regularly report industry leading results in their non-interest income ratios due to the application of USERS' wide range of fee solutions.

Increasingly, gaining a competitive advantage also requires credit unions to employ third-party specialty solutions to complement their core systems. USERS has always facilitated third-party integration via our open, middleware solution; we're now taking integration to the next level through the Maestro Projects Group, a Fiserv entity. The Maestro concept, originally developed at USERS, directly addresses the need to improve efficiency by orchestrating and streamlining multi-step business processes. Early adopters are improving accuracy and efficiency, speeding service, and reducing manual labor – all keys to gaining competitive advantage.



John Schooler
President

USERS' future initiatives likewise will help credit unions compete effectively. Future development plans include a wide range of areas of increasing interest and focus to our clients and the industry in general. Enhanced capabilities in loan acquisition, fee assessment, security, identity theft and privacy protection, biometrics and support for non-English alternatives due to rapidly shifting demographics are just a few of the many technology improvements our clients will assist USERS to offer in coming releases.

USERS will continue to take a collaborative approach to developing new technology, working closely with our clients to ensure that our core system and complementary solutions enable them to compete successfully. After all, providing technology solutions to help our clients consistently drive strong results is the only reason we exist and the only way to maintain our position as a market leader.



John Schooler is President of USERS. His 27-year affiliation with credit unions has afforded him a rich and diverse experience in the industry: working within credit union settings, as a consultant to the industry, and as a supplier of core technology for credit unions. In 1997, Schooler joined USERS Incorporated and directed the company's development efforts and technology strategies as Senior Vice President and Chief Technology Officer. He is a regular speaker at credit union industry conferences; a guest author for Credit Union Times, Credit Union Journal and Credit Union Executive; and a frequently quoted source on a wide range of technology topics in numerous credit union trade publications.